

Company Registration No. 08360915 (England and Wales)

# **ACADEMY @ WORDEN**

**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



# ACADEMY @ WORDEN

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1
Governors' report	2 - 14
Governance statement	15 - 19
Statement on regularity, propriety and compliance	20
Statement of Governors' responsibilities	21
Independent auditor's report on the accounts	22 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities including income and expenditure account	26
Balance sheet	27
Statement of cash flows	28
Notes to the accounts including accounting policies	29 - 48

---

# ACADEMY @ WORDEN

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Mrs M T Woodall  
Mrs L Fullbrook MP  
Mr J Williams  
Mr D Hewitt

### Governors

Mrs M T Woodall (Chair)  
Mr C Catherall (Headteacher and Accounting Officer)  
Mrs J Bell (Community Governor)  
Mr C J Ferguson (Community Governor)  
Mr A Hammersley (Co-Opted Governor)  
Mrs K E Hawkins (Parent Governor) (Resigned 30 October 2015)  
Mr D J Hewitt (Community Governor)  
Mrs A C Howden (Community Governor)  
Mrs M Abbott (Community Governor)  
Mr J Meers (Co-Opted Governor)  
Mrs D Carr (Co-Opted Governor)  
Mrs K Lovelady (Parent Governor)  
Mrs L Woodburn (Staff Governor)  
Miss S MacPherson (Staff Governor)  
Mr M Tunesi (Parent Governor)  
Mrs T Tunesi (Community Governor)  
Mrs S Gardner (Staff Governor) (Appointed 4 January 2016)

### Senior management team

- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Director of Business and Finance

Mr A Hammersley  
Mr D Blackledge  
Mrs L Wood  
Mr M Reed

### Company secretary

Mr M Reed

### Company registration number

08360915 (England and Wales)

### Company name

Academy @ Worden

### Registered office

Worden Sports College  
Westfield Drive  
Leyland  
PR25 1QX

### Independent auditor

Moore and Smalley LLP  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

### Solicitors

Lancashire County Council  
County Hall  
Preston  
PR1 8XJ

# **ACADEMY @ WORDEN**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

---

The Governors present their annual report together with the accounts and independent auditor's reports of the Charitable Company for the period 1 September 2015 to 31 August 2016.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11-16 serving a catchment area in Leyland. It has a pupil capacity of 588 and had a roll of 451 as at 6th October 2016. The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 11 and 16. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

#### **Structure, governance and management**

##### Constitution

Worden High School converted to Academy @ Worden ("The Academy") on 1 February 2013. The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The Academy was incorporated on 15 January 2013 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

Two of the governors act as members for the charitable activities of the Academy. There are two additional members who are not governors. The Governors are the trustees of Academy @ Worden and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Academy @ Worden.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

##### Governors' indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £5,000,000 on any one claim.

##### Method of recruitment and appointment or election of Governors

The Governors are appointed by the following:

Parent governors	Elected by parents of the students of the Academy
Staff governors	Elected by staff of the Academy
Community governors	Appointed by Governing Body
Co-opted governors	Appointed by Governing Body
Trust governors	Appointed by the Trust

##### Policies and procedures adopted for the induction and training of Governors

On appointment all governors are provided with induction training organised and monitored by the Director of Business and Finance. Ongoing training is provided through Lancashire County Council who also provide the clerking service.

# **ACADEMY @ WORDEN**

## **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

---

### Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of four levels: the Members, the Governing Body, the Headteacher, the Senior Leadership Team and the Operational Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school improvement plan and budget, monitoring the academy's performance, making major policy decisions and appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

Business and Resources  
Pupil, Curriculum and Learning  
Audit & Risk Management

The Headteacher, who is also the Accounting Officer, and Senior Leadership Team are responsible for the day to day operation of the school, mainly organising teaching and support staff, facilities and students.

The Senior Leadership Team comprises:

The Deputy Headteacher  
Assistant Headteacher (Teaching and Learning)  
Assistant Headteacher (Pastoral and Special Educational Needs)  
Director of Business and Finance

### Arrangements for setting pay and remuneration of key management personnel

The individual salary ranges (ISR) of key management personnel are set by the governing body and are related to the size of school in terms of pupil numbers. The governors have agreed ISR grade ranges for each of the key management personnel job roles and these are reviewed annually to ensure they are appropriate.

To progress through these ranges, the Assistant Heads and Deputy Head must pass their annual appraisal and be recommended by the Head for a pay increment. This pay recommendation along with associated evidence is taken to the governor Pay Committee for them to review. This committee has the power to approve or decline the recommendation. The Head will also be appraised annual by a number of governors and their recommendation will also go to the Pay Committee for consideration. The Director of Business & Finance is also appraised annually. However, this pay is linked to NJC terms, which is not performance incremented.

### Related parties and other connected charities and organisations

Academy @ Worden is part of the Chorley and South Ribble Heads Group, which meets termly and works together to share information and good practice. Its purpose is to disseminate and discuss important information and to collaborate on activities aimed at improving provision for young people at Worden and in the area. The group includes colleges and other training providers which endeavour to develop projects and programmes which benefit young people who attend many of the participating schools. Another key element of this work is to provide additional services from agencies such as YPS to ensure appropriate support is put into place as swiftly as possible.

The school also attends meetings of representatives from Lancashire Academies and is part of the Central Lancaster High School Alliance. Again, the work of these networks is to improve provision in the participating schools. Worden is the host school for the areas 'School Games Organiser' and has facilities for the community police officers to use as and when required for meetings and other related activities.

# ACADEMY @ WORDEN

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

Worden joined the Preston Teaching School Alliance in August 2015. Also, throughout the year the academy worked in partnership with the North West Forum for Health and Wellbeing, and the Leyland Rotary Club to promote and host community events.

Worden has also entered into a business partnership with School Lettings Solution Limited to provide community access seven days a week to the academy's facilities. This is limited during school hours but allows evening and weekend hire, bringing in additional income for the academy.

### **Objectives and activities**

#### Objects and aims

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The principal aim of the Academy is to provide an outstanding learning environment that helps all students to fulfil their potential.

Academy @ Worden is a happy, purposeful and thriving school that provides excellent opportunities for all students to succeed. Learning is the central focus of all that is done at Worden and it is committed to developing the whole child, providing opportunities essential for personal, intellectual, emotional and social growth.

All students are supported by a strong pastoral system, which ensures they receive the individual care and attention they need. An extensive system of rewards encourages the pursuit of excellence and values, and celebrates achievements in all areas of school life. High expectations of attendance, punctuality, uniform and behaviour underpins success in school and lays the foundations for success in the wider community and life beyond school.

All members of the school community are encouraged to work and cooperate in an atmosphere of mutual respect which is integral to the school ethos.

#### Objectives, strategies and activities

The main objectives for the period were:

- To maximise student attainment and progress through the provision of teaching which is consistently good and outstanding
- To maintain the growth in pupil numbers through effective marketing
- To maintain improvements in the quality of leadership at all levels

The vision of Worden is to be an outstanding school with outstanding outcomes for all. The Academy Trust's Improvement Plan for the period under review was produced to achieve this vision and to address the challenges and opportunities arising from national changes in education policy and academy status.

Key activities and targets have included the following:

#### **1) Provide teaching over time that is outstanding**

Teaching in all key stages and all subjects must be outstanding and never less than consistently good. As a result, almost all pupils, including disabled pupils, those who have special educational needs, those for whom the pupil premium provides support and the most able, make rapid and sustained progress.

#### **2) Ensure outstanding achievement and progress for all students**

The proportions of pupils making expected progress and the proportions exceeding expected progress in English and in Mathematics must be high compared with national figures. For pupils for whom the pupil premium provides support, the proportions to be similar to, or above, those for other pupils in the school or are rapidly approaching them.

# ACADEMY @ WORDEN

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### **3) Develop outstanding leaders and teams at all levels**

Leaders at all levels across the academy to fully understand their role in driving up standards. They self-evaluate accurately and have clear plans to ensure improvement is rapid and sustainable.

### **4) Secure outstanding behaviour (including behaviour for learning) and safety**

Pupils feel safe in school and display excellent attitudes towards learning. Punctuality and attendance is better than national figures. Appropriate policies and procedures are in place for safeguarding all members of the school community.

### **5) Communication and information systems are rationalised to ensure outstanding provision in all areas**

Communication between school and home is highly efficient and effective. Parents and carers are up to date with school activities and their child's progress. Internal communication and that with other stakeholders is also highly effective.

### **6) Establish outstanding academy, business and financial planning and evaluation to ensure a sustainable and flourishing future which involves and engages all stakeholders and promotes further collaboration**

Three year academy and financial vision and plans, accurate self-evaluation in place and regularly updated and acted upon. Meetings, collaboration with other schools, colleges, universities, businesses, wider community and other stakeholders to promote cohesion and help raise pupil aspirations, expectations and attainment. Generate increased income through community use.

#### Public benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the period. This advice has been referred to when reviewing the aims of Worden and planning future activities that are for the benefit of the public.

The Academy trust provides education to children and young people that:

- is broad and balanced,
- promotes spiritual, moral, cultural, mental and physical development of students at the school and of society,
- prepares students for opportunities and experiences of later life,
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The school is open to the public five evenings per week offering the use of its many sporting facilities including its outdoor pitches.

During the day it offers limited use by the general public for meetings and other activities. In addition, Worden now works in partnership with School Lettings Solution Ltd to allow community hire seven days a week. Worden regularly hosts sporting festivals for partner primary schools and houses a defibrillator for use by the community in case of emergency. Worden has also worked in partnership with the Leyland Rotary Club and the National Forum for Health and Wellbeing to host the 2016 Leyland Health Mela.

# ACADEMY @ WORDEN

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### Strategic report

#### Achievements and performance

The latest Ofsted report, in the form of a letter to the Headteacher, confirmed that Worden "continues to be good". All stakeholder were extremely proud to have received such positive letter, from Ofsted on Friday 4th March, which reflects the fantastic work that goes on daily at Worden. The letter recognised the high quality of teaching and the excellent attitude and behaviour displayed by the pupils.

Some key phrases in the inspection letter are:

*"Pupils benefit from good teaching"*

*"Pupils leave the school with brighter prospects due to a passionate leadership team working alongside teachers who care and meticulously plan for each unique cohort"*

*"Leaders and teachers know their pupils well and ensure that a purposeful thriving environment is provided to support high-quality learning"*

*".. a school where pupils can enjoy learning"*

*"Pupils take pride in their work and their school and develop raised aspirations from a good-quality teaching environment"*

*"Pupils speak warmly of the efforts that staff make to look after them; strong pastoral care nurtures pupils"*

*"Teachers and leaders have focused on improving pupils' literacy..... Reading is promoted well"*

*"Teachers' expectations of what pupils can achieve are consistently high across the school"*

*"Strong relationships exist between teachers and pupils and consequently pupils' attitudes to learning are consistently high"*

*"The ethos of the school is calm and built on respect for each other. All pupils spoken to by inspectors said that they felt safe in the school"*

#### Key performance indicators

The GCSE (and equivalents) results for 2016 are included in the table below. Previous years outcomes are also provided for comparison.

<b>Indicator</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
% 5+ A*-C inc English and Maths	56	28	38	44
% A*-C in English and Maths	56	33	50	60
% 1+ A*-G	100	100	100	98
% Students making three levels progress in English	72	59	83	85
% Students making three levels progress in Maths	61	43	54	63
P8 (new measure of pupil progress)	-0.49	-0.33	-0.30	-0.06

Progress 8 (P8) measures progress made by pupils in their best 8 GCSE subjects. A P8 score of 0 is the national average. P8 scores have improved considerably over the last 3 years and all have been broadly average and in line with national expectations.

---



# ACADEMY @ WORDEN

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### Key performance indicators

- Exam targets
- Attendance statistics
- Reserves targets
- Environmental targets
- Staff ratios

In September of 2015 Worden celebrated as results saw a dramatic improvement from the previous year. All measures saw a significant increase including three levels of progress in English and maths and the new P8 score. The programme of revision and support for pupils of all abilities was again extensive and took place before and after school as well as in curriculum time both on and off the school site. Staff gave up much of their own time to help both year 10 and 11 pupils to prepare for their exams and controlled assessments.

Pupil outcomes again improved in 2016 with a 10% increase in the proportion of pupils achieving A\*-C grades in both English and maths. English performed extremely well with 85% gaining A\*-C and 85% making expected progress, which is around 25% higher than the national figure. In line with national performance, 63% of pupils made the expected progress in Mathematics.

### Headteacher's Report

Worden continued to promote and market the academy highly effectively and the number of pupils joining the school in September 2015 was again very pleasing at 137 due to the improving reputation of the school in the community.

The new academic year started with an INSET which served to further improve the quality of teaching and learning through collaboration and active engagement. We welcomed several new staff at the start of the academic year with two members of staff taking on additional responsibilities. Mr Durrant is now Head of Modern Foreign Languages and Mr Renton was appointed Pupil Engagement and Raising Achievement Coordinator.

### **Other appointments from September 2015 were:**

Amanda Cudworth - Second in English (Temp 0.8)  
Lee Rimmer - Teacher of English and an NQT  
Nicola Garland - Head of Maths  
Samantha Beach - Assistant Head of Maths  
Julie Hawkins - Teacher of Maths  
Jonathan Haworth - Head of Science and Technology  
Kate Witty - Teacher of MFL and an NQT  
Emma McArdle - Teacher of Humanities and an NQT

### **Other appointments throughout 2015/16:**

Michelle Partridge – Business Support officer – Nov 2015  
Tony Seymour – Learning Mentor – Nov 2015  
Marie May – Teacher of Art – February 2016  
Anita Carty – Pastoral Manager for years nine to eleven – February 2016

Our new year sevens were been screened using Accelerated Reader as we continue to target literacy across the school. We continue to use the scheme with targeted pupils in years 8, 9 and 10. Handwriting is also being screened and intervention put into place where improvement is required. A maths intervention programme was also implemented this for years 7 to 9.

## **ACADEMY @ WORDEN**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

---

'Presentation Evening' was held at Wellington Park for a fourth consecutive year and again it proved to be a huge success with extremely positive feedback. The evening celebrated the 2015 GCSE results along with sporting achievements and academic progress and attainment for pupils in years 8 to 11. The Leyland Health Mela was held at Worden for the first time and all the hard work payed off with the event being extremely well organised and attended. Open Evening and our second Open Day were both outstanding celebrations of Worden. Staff, pupils, parents, PTFA and governors ensured that all three occasions had a huge impact on public perception and helped continue to raise our profile and standing in the community. Feedback from visitors was extremely positive and our effective marketing has yet again had an impact on numbers applying for places at Worden. With the numbers applying for places for September 2016, I expected us to be oversubscribed again which was fantastic news.

After school revision classes in all subjects started early in the academic year as one strategy to drive up standards across the school. Formal, half termly, assessments took place throughout the year with pupil progress being carefully monitored through individual teachers meeting with the Head after each assessment point to review data. The school also held a Year 11 GCSE Parent Support Evening. Charity events remained high on the agenda for Worden. Several charity events including the RSPCA Shoe Box Appeal and our annual Santa Dash, in aid of St Catherine's Hospice, raised a record total of £4000. The English department held a Macmillan Coffee morning and raised over £70 for cancer research. In addition, the catering department held a cake sale for Breast Cancer support raising £160.

Work Related Learning Week for year 10 was a huge success. The pupils visited the army, Runshaw College, Preston's College, Wigan Warriors Sports College and had a health day. The week ran smoothly and helped to prepare year 10 pupils for their work experience week. It assisted pupils who struggled to find a placement by giving them an idea of where to look and who to contact. There were just 8 pupils who failed to find a placement this year. As school builds a list of contacts this number will decrease in future years. All pupils were visited by members of staff who taught year 10.

The Duke of Edinburgh Award Scheme grew again attracting its largest ever number of participants. Camping sessions were led by Mrs Windle every Friday lunch time. Participants learned about appropriate outdoor clothing and equipment. First Aid sessions were also held and the 'practice' and 'final' expeditions took place successfully in May and July respectively.

Prior to Christmas the school hosted its largest ever 'Careers Day' which involved mock interviews and CV writing. The rewards trip to the Guild Hall, Christmas Bingo and the Christmas production, 'Peter Pan', all made sure the autumn term ended on a high. The Christmas production, written by Miss Macpherson, also managed to raise over £600.

Worden held its third AGM on 10th March 2016 which was attended by myself, Mr Reed and members of the Academy Trust. The reports were accepted and no motions were submitted.

Half term revision sessions were held during February half term which were well attended by year 11 pupils. Revision sessions also took place during the Easter holiday and a weekend of English and maths revision included relaxation sessions.

The Annual Dance Appreciation Evening took place on Monday 18th July 2016 in the school hall and was a sell-out. Yet again, it highlighted the talent that exists at Worden.

Worden, as usual, entered the Rotary Club Young Chef Competition in 2015. Both pupils from Worden created a full three course menu. Charlotte Edwards claimed second prize with her outstanding meal. The competition included pupils from other schools and colleges from across Leyland, Chorley and South Preston.

## **ACADEMY @ WORDEN**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

---

This year, the academy had its most successful Leyland Festival to date, blessed by some good weather. Our float was highly commended by the organisers and was a visual delight, with music, staff, pupils and 1000 balloons. Winston the Lion led the float through the town with his pupil and staff helpers distributing the balloons and leaflets advertising our open night to the onlookers. Our marquee area was equally successfully, with a football shoot out, coconut shy, bat the rat, tombola, raffle, slushy and candyfloss machines. The PTFA also supported the event organising refreshments along with cakes and biscuits made by Sam Ball and her pupils. We had over 500 visitors to the marquee and engaged with the local businesses who donated prizes for our raffle and tombola. Again, the festival showed great community spirit and was a very enjoyable day raising over £500 for the school fund. We handed out leaflets promoting the Leyland Health Mela, which will be hosted by Worden for a second year in September 2016. Banners advertised our Open Evening, Open Week and our 'GOOD' judgement from Ofsted.

The Leyland Guardian continues to support us and we were shortlisted in seven categories at the LEP Education Awards in June. After winning Secondary School of the Year in 2013 and 2015 we won two more awards this year. The Career Aspiration and Secondary School Pupil of the Year (Leon Roxburgh) awards are now proudly displayed in reception.

The pupils also had a great year in terms of National competitions. A team from Worden reached the finals of the National Enterprise Challenge for a second consecutive year. They travelled to Doncaster to perform against 50 other schools in front of Theo Paphetis and his fellow judges. Although the team didn't make it through the last four this year, one of our year 8 pupils won the title of 'Most Enterprising Girl'.

Cheerleading Nationals held on the 19th June 2016 saw us placed 3rd nationally in the pom dance section after performing a fantastic and extremely entertaining routine. The U14s basketball team were undefeated in South Ribble and the year 7 netball team won the South Ribble league. The Worden Cheerleaders took part in a sponsored silence raising £350 pounds towards new cheer kits.

A total of 39 students (out of a possible 48) and 25 staff attended the Academy@Worden prom at Charnock Farm. It proved to be another lovely event and an ideal venue to say farewell to our 2016 leavers. A vast number of parents, brothers and sisters came to see the year 11 students arrive in style. All the tables had been set out in Worden colours and a favour was placed on each of the students place mats to commemorate their time at Worden, this consisted of a little message and a piece of Worden memorabilia which the students really appreciated. With such a good response from the students and staff the venue was full to capacity. There was a three course meal, followed by a speech by the head teacher and then the awards for the students. The students then enjoyed a disco until the end of the night. All the students behaved impeccably.

Staff professional development in teaching and learning was boosted by a series of workshops including:

- Making every lesson count – Challenge and engagement Part 1 & 2
- Making every lesson count – Explanation Part 1 & 2
- Making every lesson count – Modelling Part 1 & 2
- Making every lesson count – Questioning Part 1 & 2
- Sharing best practice

Attendance for 2015-16 saw another improvement up to 96.14%, the best in the last five years. The proportion of pupils arriving late to school reduced as did the number of internal isolations.

## **ACADEMY @ WORDEN**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

---

School continues to nurture students and provide a range of rewards, support and intervention strategies to help make them feel valued, inspire them to improve and to help them achieve. Some of these initiatives included:

- Nurture room open at breaks and lunch times for vulnerable pupils
- Intervention programme for underperforming pupils
- Non uniform days to raise money for rewards and charities
- Skills Northwest conference in Manchester
- College taster days and college assemblies
- Presentation assemblies rewarding progress, achievement and good attendance
- Young People's Services – a variety of visits and events aimed at students
- The school nurse visiting school on a weekly
- Year 6 transition meetings and year 5 visits for prospective pupils
- New intake evenings and taster days
- Community litter pick in partnership with McDonalds
- Barclays -Work, Money and Social Skills Day
- Katy Holmes charity day
- Easter Bingo and Christmas Bingo Reward Trips
- Lancashire Mind (Young People Mental Health)
- College Visits for able, gifted and talented pupils
- Parents Evenings
- Valentines Rose Delivery
- Transition Meetings for new intake

Intervention and support included:

- Behaviour tracking system initiated
- One to one mentoring for students on a weekly basis
- Breakfast Club
- Parental meetings
- Personal support plans
- School Nurse support
- Targeted support in lessons
- Governors intervention
- Looked After Children reviews
- Key Early Intervention Agency
- Access to the school counsellor
- Collaboration with Social Services, family support workers, Head of LAC support, the police, 'Addaction', YOT/GRIP etc.
- Child Protection Conference meetings
- TAC meetings

#### Sports Partnership

##### **School Games Programme**

The School Games Programme 2015 - 2016 was one of the busiest ever. The final term alone, saw 25 different sporting events. The Lancashire School Games was held on Tuesday 5th July at Stanley Park, Blackpool, where winning schools from our SSP Level 2 competitions competed for Team South Ribble.

# ACADEMY @ WORDEN

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### ***Worden's Leadership Academy***

Worden's Leadership Academy continued to grow from strength to strength to and in doing so played a very prominent role in leading and officiating at many primary competitions, festivals and other organised PE events. It is only through the use of the leaders (both at Worden and other secondary schools in South Ribble) that the partnership is able to organise and host the National School Games programme.

Events that Worden Leaders have been involved in include:

- **Rugby League Referees course**
- **Year 5/6 Tag Rugby Central Venue Leagues**
- **Cricket Activators Umpiring course**
- **Year 5 mixed Kwik Cricket comp**
- **KS1 Inclusion Festival**
- **KS1 Quad Kids Athletics** hosted at Worden for Leyland Area schools
- **KS2 SEN PE Inclusion festival** hosted at Worden for Leyland Area schools
- **Dance from the Heart** - a touring dance road show that travelled around the local primaries delivering a whole school dance event that enlisted the help of Worden leaders who had been involved in a previous training day that Worden hosted.

### Academy Environment

In this period the CIF funding for the window project has been delivered. We also completed the conversion of two rooms into new classrooms to accommodate the increasing pupil roll.

The academy is also working with E3 Cube to finalise Kitchen and Fire Safety CIF bids for submission in December 2016.

### Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial review**

The Academy's total incoming resources during the period were £2,528,925 (2015: £2,337,802). The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £2,504,819 (2015: £2,031,250) and further details are provided in the accounts.

Total outgoing resources for the period were £2,570,113 (2015: £2,439,631), which related to the direct provision of educational operations. The net movement in funds for the period was a deficit of £345,188 (2015: £121,829). However if we exclude the actuarial loss on defined benefit pension scheme, the net expenditure for the year was £41,188 (2015: £101,829).

At the period end the Academy's total reserves were £2,722,923 (2015: £3,068,111), including unrestricted funds of £36,445 (2015: £31,585) and restricted funds of £2,686,478 (2015: £3,036,526). Restricted funds include fixed assets of £3,250,371 (2015: £3,320,823), less the LGPS pensions scheme deficit of £727,000 (2015: £398,000). The level of restricted funds excluding fixed assets and the pension deficit was £163,107.

At 31st August 2016 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

### Financial and risk management objectives and policies

The academy has completed a four year projection of pupil numbers, income and expenditure. This has been discussed with Governors and scrutinised to ensure the academy balances the quality of its provision and value for money. The calculations allow for increasing staff numbers, aligning to the rising pupil numbers.

## **ACADEMY @ WORDEN**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

---

#### Reserves policy

##### **Restricted GAG reserves**

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 0.5% and 2.5% of GAG income, which equates to approximately £8,000 - £41,000 on an annual basis, and aim to keep the reserve within these parameters. The last few financial years have seen reductions in the restricted GAG reserves, due to the funding model upon which the academy is paid. This year a bid for an exceptional growth grant was successful and we were awarded £343,650 by the EFA. This has allowed the academy to manage the budget accordingly and keep the academy trading as a going concern. The management have continued to diligently review all costs and contracts and created an additional £30,000 run rate savings within the year, which has helped to contain expenditure. Future reserves will be built as the academy numbers peak in the coming five years.

At 31 August 2016 the academy held £157,006 in restricted GAG reserves.

##### **Unrestricted reserves**

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold £160,000 - £170,000, approximately one months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. For the same reasoning stated in restricted GAG reserves, the level of unrestricted reserves had fallen, as the academy financed the shortfall in funding the growth in pupil numbers. Future forecasts show a rise increasing over the next four years.

At 31 August 2016 the level of unrestricted reserves held was £36,445.

##### **Restricted pension scheme reserve**

On conversion, the School inherited a deficit of £476,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit having decreased to £398,000 in August 2015, has now increased to £727,000 by 31 August 2016, mainly due to changes in actuarial assumptions. The level of any deficit payments will be reviewed following the latest actuarial valuation in 2016 for introduction in April 2017. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Investment policy and powers

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. All surplus cash is held in the main bank account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

# ACADEMY @ WORDEN

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### Principal risks and uncertainties

The principal risk the academy faces is loss of grant income due to a reduction in student numbers. The governors and academy have set up a Marketing Committee to help drive the marketing and publicity for the academy. A resulting factor is a key investment in this area, in terms of time, money and staff commitment.

### Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to governance, operations, finance, safeguarding and health and safety. These risks are reviewed on a termly basis by the governing body. Certain risks are managed by the Business and Resources Committee and others by the Curriculum committee. The main risk overview is managed by the Audit and Risk Committee through the Risk Register.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy Finance Manual and Scheme of Delegation. The systems are based on a framework of segregation of duties which include authorisation and approval. Financial management information is provided to the Headteacher on a monthly basis and to the Committee itself each term. The Academy and Governors have also completed a full review of the Risk Register and EFA Fraud Checklist within the period.

The responsible officer role has been performed during the period by TLL Accountants and it is pleasing to note there have been no significant findings over the accounting period.

### Plans for future periods

A summary of the 2014-17 Academy Improvement Plan which sets out the objectives for the forthcoming year is provided below.

#### **1) Provide teaching over time that is outstanding**

Most of the teaching in all key stages and all subjects must be outstanding and never less than consistently good. As a result, almost all pupils, including disabled pupils, those who have special educational needs, those for whom the pupil premium provides support and the most able, are making rapid and sustained progress.

#### **2) Ensure outstanding achievement and progress for all students**

The proportions of pupils making expected progress and the proportions exceeding expected progress in English and in mathematics are high compared with national figures. For pupils for whom the pupil premium provides support, the proportions are similar to, or above, those for other pupils in the school or are rapidly approaching them.

#### **3) Develop outstanding leaders and teams at all levels**

Leaders focus relentlessly on improving teaching and learning and provide focused professional development for all staff, especially those that are newly qualified and at an early stage of their careers. This is underpinned by searching performance management that encourages, challenges and supports teachers' improvement.

#### **4) Secure outstanding behaviour (including behaviour for learning) and safety**

All pupils consistently display a thirst for knowledge and a love of learning, including in independent, group and whole class work, which have a very strong impact on their progress in lessons. Pupils' behaviour in and outside of lessons is always impeccable. Pupils' pride in the school is shown by their excellent conduct, manners and punctuality.

## ACADEMY @ WORDEN

### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

**5) Communication and information systems are rationalised to ensure outstanding provision in all areas.**

Communication systems including: SIMS, PARS, Texts, News@Worden, Website, School Network, Pupil voice, Parent voice, Show My Homework etc. improve internal communications and strengthen home-school partnerships.

**6) Establish outstanding academy, business and financial planning and evaluation to ensure a sustainable and flourishing future which involves and engages all stakeholders and promotes further collaboration.**

Three year academy and financial vision and plans, accurate self-evaluation are in place and regularly updated and acted upon. Meetings, collaboration with other schools, colleges, universities, businesses, wider community and other stakeholders promote cohesion and help raise pupil aspirations, expectations and attainment. Generate increased income through community use.

**Funds held as custodian trustee on behalf of others**

No custodian funds are held.

**Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 8.12.2016 and signed on its behalf by:



Mrs M T Woodall  
Chair



# ACADEMY @ WORDEN

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

---

### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Academy @ Worden has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Academy @ Worden and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met three times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs M T Woodall (Chair)	3	3
Mr C Catherall (Headteacher and Accounting Officer)	2	3
Mrs J Bell (Community Governor)	0	3
Mr C J Ferguson (Community Governor)	3	3
Mr A Hammersley (Co-Opted Governor)	1	3
Mrs K E Hawkins (Parent Governor) (Resigned 30 October 2015)	0	1
Mr D J Hewitt (Community Governor)	2	3
Mrs A C Howden (Community Governor)	3	3
Mrs M Abbott (Community Governor)	2	3
Mr J Meers (Co-Opted Governor)	1	3
Mrs D Carr (Co-Opted Governor)	1	3
Mrs K Lovelady (Parent Governor)	3	3
Mrs L Woodburn (Staff Governor)	2	3
Miss S MacPherson (Staff Governor)	0	3
Mr M Tunesi (Parent Governor)	2	3
Mrs T Tunesi (Community Governor)	0	3
Mrs S Gardner (Staff Governor) (Appointed 4 January 2016)	2	2

In this financial year, the trustees have appointed one new staff governor, Mrs S Gardner, who is the academy's Head of English and brings with her over 30 years' experience of teaching at Worden. One parent governor, Mrs Hawkins, has come to the end of her appointment term and resigned from her position.

## ACADEMY @ WORDEN

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2016

---

The Governing Body has completed a number of self-evaluation activities in the year.

1. A skills audit was completed by governors, which resulted in identifying new skills required (e.g. health & safety). This will help when selecting new governors and also when reviewing succession planning.
2. The appointment of one new staff governor, Suzanne Gardner, in early 2016 has further enhanced the experience of the Governing Body. Suzanne comes with over 30 years teaching experience as Head of English at Worden and has the highest set of academic results in the area for English.
3. The terms of reference of each committee are reviewed in the autumn term annually, which allows for an appraisal of each committee.
4. The academy maintains a risk register, which the Governing Body developed with the academy, part of which covers the risks concerned with a Governing Body, which are reviewed termly.
5. On the 10th February 2016, the full Governing Body attended an evening governor training session on 'Governing Body Self Evaluation & Development. Seven key areas of evaluation were tested with some actions recommended. These actions have led to the introduction of a new governor induction programme with mentors and revised guidelines for governor visits.
6. A further outcome of the above training was to join a professional body and the Governing Body is now a member of the National Governors Association. In addition the governors have developed a relationship with Governor Ambassadors.
7. On the 23rd February 2016 the academy was inspected by Ofsted and the following comments were raised about the governing body;

*"Governors are loyal to the school and highly experienced. Governors meet regularly and understand the challenges of a small school with a varying academic cohort. They are aware of the significant needs of a large number of pupils who enter the school with special educational needs and significantly low prior attainment from primary school. Governors have a strong focus on the key priorities for school improvement and they challenge school leaders effectively. They work alongside leaders in ensuring that appropriate training is available to support teachers so that the school is not reliant on 'quick fixes' to improve pupils' outcomes."*

The Governing Body feels these activities should give surety to the public that the Governing Body is working effective and professionally.

The Business and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to look at effective use of resources in the academy; finance, HR, estates, Health and Safety, and Business Development.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs M T Woodall (Chair)	3	3
Mr C Catherall (Headteacher and Accounting Officer)	2	3
Mr C J Ferguson (Community Governor)	3	3
Mr A Hammersley (Co-Opted Governor)	3	3
Mr D J Hewitt (Community Governor)	2	3
Mrs A C Howden (Community Governor)	3	3
Mr J Meers (Co-Opted Governor)	2	3
Mrs L Woodburn (Staff Governor)	2	3

## ACADEMY @ WORDEN

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2016

The Audit & Risk Management Committee is a sub-committee of the main Governing Body. Its purpose is to review the academy's internal and external financial statements and reports to ensure their effectiveness and reflect best practice. In addition to ensure that internal control systems meet the key performance targets and monitor the academy's risk register.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr C Catherall (Headteacher and Accounting Officer)	2	3
Mrs J Bell (Community Governor)	1	1
Mr D J Hewitt (Community Governor)	1	1
Mrs M Abbott (Community Governor)	3	3
Mrs D Carr (Co-Opted Governor)	2	2
Mrs K Lovelady (Parent Governor)	2	2
Mr M Tunesi (Parent Governor)	1	1
Mrs T Tunesi (Community Governor)	1	1

#### **Review of value for money**

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continued use of the RPA Insurance policy saved us £18,000 per annum
- Tendering and selection of a good staff absence policy has yielded us £58,000 this year
- Successful grants from Kelloggs and Raspberry Pi Foundation have allowed us to invest in our breakfast provision and set up a Raspberry Pi suite for the pupils for no cost to the academy
- Moving the management of our lettings to a third party continues to yield us £7,000 per year whilst allowing to open the school longer for staff, without any caretaking costs.
- Switching waste supplier contracts will give us a saving of 50% at £3,200
- Tender of copiers has allowed us to negotiate two extra copiers for the price we were paying previously.
- Strategic move away from capital purchasing to operational leasing tied to periods of warranties. This avoids excessive use of capital reserves and allows the academy to be cost effective in purchasing the most suitable equipment for the best price. This year we have refreshed 21 projectors across the academy tied to a three year lease with 3 year warranty.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Academy @ Worden for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

## **ACADEMY @ WORDEN**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

#### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

#### **The risk and control framework**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Business and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed TLL Accountants, as responsible officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The RO has completed a full year of reviews for 2015-16 and it is pleasing to note that there were no significant findings.

On a quarterly basis, the TLL Accountants report to the Governing Body through the Audit & Risk Management Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body. The reports are completed on a quarterly basis with management responses given to any findings disclosed. The findings throughout the year have been minor and categorised as low/medium risk.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The RO has completed a wide range of checks, from a quarterly visit, to the Trust's satisfaction. A quarterly report of findings is issued, requesting management actions to resolve any issues found. The key areas tested are:

- HR & payroll systems
- ordering and invoicing systems
- control account / bank account reconciliations
- VAT / credit card / petty cash reconciliations
- funding & income generation

The academy is pleased to confirm that no high risk areas were identified during the year and that moderate/low risk issues were few in number and had remedial management actions assigned to them.

## ACADEMY @ WORDEN

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

#### **Review of effectiveness**

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

#### **Risk Register**

The Governing Body prepared a risk register which was approved in July 2014. The register identified key risks which have been reviewed on a termly basis by the Governing Body. Many of the risks have been allocated to the Business and Resources and Teaching, Learning and Curriculum committees. The risks have then been allocated to risk holders who have reviewed them on a termly basis.

#### **Financial Management and Governance**

The Governors have received a monthly financial report, prepared in accordance with Financial Regulations Handbook and adhering to the Academies Financial Handbook 2015. In addition RO reports have been completed quarterly as discussed below, as well as external audit of the financial accounts.

#### **Responsible Officer (RO) Function**

The Governors have appointed TLL Accountants to perform the RO function. They presented quarterly reports to the Business and Resources Committee on the systems of control within the academy. Recommendations arising from the reports have been implemented immediately after the reports are approved.

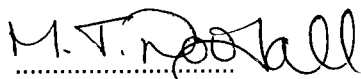
#### **Internal Controls**

During the year several actions have been taken to improve internal controls. These have included:

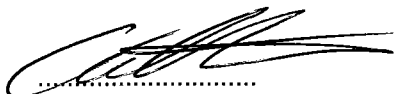
- revision of financial forecasts to 2019/20, with addition of monthly cashflow reports
- introduction of a 3 year DBS checking rolling programme
- Director of Business and Finance authorised for BACs payments to cover absence of Headteacher and Deputy Headteacher

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Business and Resources Committee and a plan to ensure continuous improvement is in place.

Approved by order of the Governing Body on .....<sup>8.12.2016</sup> and signed on its behalf by:



Mrs M T Woodall  
Chair



Mr C Catherall  
Headteacher and Accounting Officer

## **ACADEMY @ WORDEN**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016**

---

As Accounting Officer of Academy @ Worden I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy's Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.



.....  
**Mr C Catherall**  
**Accounting Officer**

08/12/16..

## ACADEMY @ WORDEN

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

---

The Governors (who act as trustees for Academy @ Worden and are also the directors of Academy @ Worden for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Governors are required to:

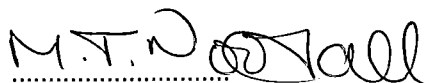
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on .....8.12.2016..... and signed on its behalf by:



**Mrs M T Woodall**  
Chair

## **ACADEMY @ WORDEN**

### **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ACADEMY @ WORDEN**

---

We have audited the accounts of Academy @ Worden for the year ended 31 August 2016 set out on pages 26 to 48. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 21, the Governors, who are also the directors of Academy @ Worden for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.



## ACADEMY @ WORDEN

### INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ACADEMY @ WORDEN (CONTINUED)

---

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Tracey Johnson (Senior Statutory Auditor)**  
**for and on behalf of Moore and Smalley LLP**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Dated: 20 December 2016

## **ACADEMY @ WORDEN**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMY @ WORDEN AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 29 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy @ Worden during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Academy @ Worden and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy @ Worden and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy @ Worden and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Academy @ Worden's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Academy @ Worden's funding agreement with the Secretary of State for Education dated 30 January 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

## ACADEMY @ WORDEN

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMY @ WORDEN AND THE EDUCATION FUNDING AGENCY (CONTINUED)

---

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Tracey Johnson**  
**Reporting Accountant**  
**Moore and Smalley LLP**

Dated: 20 December 2016

# ACADEMY @ WORDEN

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	11,349	-	11,349	280,903
Charitable activities:						
- Funding for educational operations	4	3,386	2,501,433	-	2,504,819	2,031,250
Other trading activities	5	12,409	-	-	12,409	25,268
Investments	6	348	-	-	348	381
<b>Total income and endowments</b>		<u>16,143</u>	<u>2,512,782</u>	<u>-</u>	<u>2,528,925</u>	<u>2,337,802</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	11,283	2,488,378	70,452	2,570,113	2,439,631
<b>Total expenditure</b>	7	<u>11,283</u>	<u>2,488,378</u>	<u>70,452</u>	<u>2,570,113</u>	<u>2,439,631</u>
<b>Net income/(expenditure)</b>		4,860	24,404	(70,452)	(41,188)	(101,829)
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(304,000)	-	(304,000)	(20,000)
<b>Net movement in funds</b>		4,860	(279,596)	(70,452)	(345,188)	(121,829)
<b>Reconciliation of funds</b>						
Total funds brought forward		31,585	(284,297)	3,320,823	3,068,111	3,189,940
Total funds carried forward	17	<u>36,445</u>	<u>(563,893)</u>	<u>3,250,371</u>	<u>2,722,923</u>	<u>3,068,111</u>

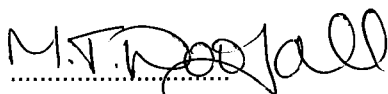
# ACADEMY @ WORDEN

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		3,250,371		3,320,823
<b>Current assets</b>					
Debtors	13	89,128		124,843	
Cash at bank and in hand		264,866		227,507	
		<u>353,994</u>		<u>352,350</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(114,842)		(160,262)	
<b>Net current assets</b>			<u>239,152</u>		<u>192,088</u>
<b>Total assets less current liabilities</b>			3,489,523		3,512,911
Creditors: amounts falling due after more than one year	15		(39,600)		(46,800)
<b>Net assets excluding pension liability</b>			<u>3,449,923</u>		<u>3,466,111</u>
Defined benefit pension liability	19		(727,000)		(398,000)
<b>Net assets</b>			<u>2,722,923</u>		<u>3,068,111</u>
<b>Funds of the Academy:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			3,250,371		3,320,823
- Restricted income funds			163,107		113,703
- Pension reserve			(727,000)		(398,000)
<b>Total restricted funds</b>			<u>2,686,478</u>		<u>3,036,526</u>
<b>Unrestricted income funds</b>	17		<u>36,445</u>		<u>31,585</u>
<b>Total funds</b>			<u>2,722,923</u>		<u>3,068,111</u>

The accounts set out on pages 26 to 48 were approved by the Governing Body and authorised for issue on 8.12.2016 and are signed on its behalf by:



Mrs M T Woodall  
Chair

Company Number 08360915

# ACADEMY @ WORDEN

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		34,997		(316,834)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		348		381	
Capital grants from DfE and EFA		9,214		273,758	
		<u>          </u>	9,562	<u>          </u>	274,139
<b>Cash flows from financing activities</b>					
New other loan		-		57,600	
Repayment of other loan		(7,200)		(3,600)	
		<u>          </u>	(7,200)	<u>          </u>	54,000
<b>Change in cash and cash equivalents in the reporting period</b>			<u>          </u>		<u>          </u>
			37,359		11,305
Cash and cash equivalents at 1 September 2015			<u>227,507</u>		<u>216,202</u>
<b>Cash and cash equivalents at 31 August 2016</b>			<u><u>264,866</u></u>		<u><u>227,507</u></u>

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

Academy @ Worden is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### 1.1 Basis of preparation

The accounts of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. Adoption of the new accounting standard FRS102 this year has resulted in some classification changes in the presentation of the comparative information from what was reported in the prior year.

Academy @ Worden meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Academy. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts for the year ended 31 August 2016 are the first accounts of Academy @ Worden prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

#### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.



# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

(Continued)

#### Charitable activities

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

#### Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management, Governors' meetings and reimbursed expenses.

### 1.5 Tangible fixed assets and depreciation

On conversion the School acquired the land and buildings from which it operates under a 99 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2013 on behalf of the Department for Education by Mouchel. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the School inherited the fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. Except for certain computer equipment recently purchased, the remaining assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £1,890,000.

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land and buildings	Over lease term/2% per annum
Computer equipment	33.3% per annum
Fixtures, fittings & equipment	25% per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.9 Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### 1.11 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Critical accounting estimates and assumptions

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 125 years is applied to land, 50 years for buildings, 3 years for computer equipment and 4 years for fixtures, fittings and equipment.

##### Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

##### Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

##### Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was not subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next.

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	9,214	9,214	273,758
Other donations	-	2,135	2,135	7,145
	-	11,349	11,349	280,903

The income from donations and capital grants was £11,349 (2015: £280,903) of which £- was unrestricted (2015: £7,145), £11,349 was restricted (2015: £-) and £- was restricted fixed assets (2015: £273,758).

### 4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,859,136	1,859,136	1,764,991
Other DfE / EFA grants	-	505,398	505,398	147,807
	-	2,364,534	2,364,534	1,912,798
<b>Other government grants</b>				
Local authority grants	-	18,028	18,028	18,425
Special educational projects	-	43,920	43,920	54,025
	-	61,948	61,948	72,450
<b>Other funds</b>				
Other incoming resources	3,386	74,951	78,337	46,002
<b>Total funding</b>	3,386	2,501,433	2,504,819	2,031,250

The income from funding for educational operations was £2,504,819 (2015: £2,031,250) of which £3,386 was unrestricted (2015: £26,097) and £2,501,433 was restricted (2015: £2,005,153).

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	8,204	-	8,204	12,032
Other income	4,205	-	4,205	13,236
	<u>12,409</u>	<u>-</u>	<u>12,409</u>	<u>25,268</u>

The income from other trading activities was £12,409 (2015: £25,268) of which £12,409 was unrestricted (2015: £25,268).

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	348	-	348	381
	<u>348</u>	<u>-</u>	<u>348</u>	<u>381</u>

The income from funding for investment income was £348 (2015: £381) of which £348 was unrestricted (2015: £381).

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	1,501,081	1,188	227,675	1,729,944	1,489,876
- Allocated support costs	229,709	234,340	376,120	840,169	949,755
	<u>1,730,790</u>	<u>235,528</u>	<u>603,795</u>	<u>2,570,113</u>	<u>2,439,631</u>
<b>Total expenditure</b>	<u>1,730,790</u>	<u>235,528</u>	<u>603,795</u>	<u>2,570,113</u>	<u>2,439,631</u>

#### Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	5,900	5,800
- Other services	3,224	4,525
Operating lease rentals	17,977	20,890
Depreciation of tangible fixed assets	70,452	67,704
	<u>97,553</u>	<u>99,719</u>

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	3,387	1,726,557	1,729,944	1,489,876
Support costs - educational operations	7,896	832,273	840,169	949,755
	<u>11,283</u>	<u>2,558,830</u>	<u>2,570,113</u>	<u>2,439,631</u>

The expenditure on educational operations was £2,570,113 (2015: £2,439,631) of which £11,283 was unrestricted (2015: £49,253), £2,488,378 was restricted (2015: £2,322,674) and £70,452 was restricted fixed assets (2015: £67,704).

	2016 £	2015 £
<b>Analysis of support costs</b>		
Support staff costs	229,709	183,675
Depreciation and amortisation	69,264	66,516
Premises costs	315,865	483,059
Other support costs	208,941	199,004
Governance costs	16,390	17,501
	<u>840,169</u>	<u>949,755</u>

### 9 Staff costs

	2016 £	2015 £
Wages and salaries	1,250,282	1,187,150
Social security costs	102,936	87,616
Operating costs of defined benefit pension schemes	228,651	187,324
Staff costs	<u>1,581,869</u>	<u>1,462,090</u>
Supply staff costs	130,045	24,287
Staff restructuring costs	18,876	6,678
Total staff expenditure	<u>1,730,790</u>	<u>1,493,055</u>

## ACADEMY @ WORDEN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

#### 9 Staff costs (Continued)

##### Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2016 Number	2015 Number
Teachers	22	19
Administration and support	20	20
Management	5	5
	<u>47</u>	<u>44</u>

##### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £18,876 (2015: £6,678). Individually, the payments were: £3,506, £4,533 and £10,837.

##### Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £281,875 (2015:£281,978).

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 10 Governors' remuneration and expenses

The headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £nil (2015 £nil) were reimbursed to Governors.

The value of Governors' remuneration and other benefits for the period was as follows:

#### C Catherall - Headteacher and Governor

Remuneration	£65,000 - £70,000 (2015: £65,000 - £70,000)
Employer's pension contributions	£10,000 - £15,000 (2015: £5,000 - £10,000)

#### A Hammersley - Deputy Head and Co-opted Governor

Remuneration	£50,000 - £55,000 (2015: £50,000 - £55,000)
Employer's pension contributions	£5,000 - £10,000 (2015: £5,000 - £10,000)

#### A Howden - Community Governor

Remuneration	£nil - £5,000 (2015: £nil - £5,000)
Employer's pension contributions	£nil (2015: £nil)

#### D Blackledge - Staff Governor to 19 January 2015

Remuneration	£nil (2015: £15,000 - £20,000)
Employer's pension contributions	£nil (2015: £nil - £5,000)

#### A Blackburn - Staff Governor to 19 March 2015

Remuneration	£nil (2015: £20,000 - £25,000)
Employer's pension contributions	£nil (2015: £nil - £5,000)

#### L Woodburn - Staff Governor from 10 February 2015

Remuneration	£25,000 - £30,000 (2015: £10,000 - £15,000)
Employer's pension contributions	£nil - £5,000 (2015: £nil - £5,000)

#### S Macpherson - Staff Governor from 30 March 2015

Remuneration	£20,000 - £25,000 (2015: £10,000 - £15,000)
Employer's pension contributions	£nil - £5,000 (2015: £nil - £5,000)

#### S Gardner - Staff Governor from 4 January 2016

Remuneration	£25,000 - £30,000 (2015: £nil)
Employer's pension contributions	£nil - £5,000 (2015: £nil)

Other related party transactions involving the Governors are set out within the related parties note.

### 11 Governors and officers insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and providers cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.



# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2015 and 31 August 2016	3,472,000	3,562	15,309	3,490,871
<b>Depreciation</b>				
At 1 September 2015	161,913	1,450	6,685	170,048
Charge for the year	65,424	1,188	3,840	70,452
At 31 August 2016	227,337	2,638	10,525	240,500
<b>Net book value</b>				
At 31 August 2016	3,244,663	924	4,784	3,250,371
At 31 August 2015	3,310,087	2,112	8,624	3,320,823

The net book value of land and buildings comprises:

	2016 £	2015 £
Long leaseholds (over 50 years)	3,244,663	3,310,087

### 13 Debtors

	2016 £	2015 £
VAT recoverable	6,145	58,993
Other debtors	-	6,347
Prepayments and accrued income	82,983	59,503
	89,128	124,843

### 14 Creditors: amounts falling due within one year

	2016 £	2015 £
Other loans	7,200	7,200
Trade creditors	9,985	27,042
Other creditors	5,114	5,813
Accruals and deferred income	92,543	120,207
	114,842	160,262

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other loans	39,600	46,800
	<u>          </u>	<u>          </u>
<b>Analysis of loans</b>		
Wholly repayable within five years	46,800	54,000
Less: included in current liabilities	(7,200)	(7,200)
	<u>          </u>	<u>          </u>
Amounts included above	39,600	46,800
	<u>          </u>	<u>          </u>
<b>Loan maturity</b>		
Debt due in one year or less	7,200	7,200
Due in more than one year but not more than two years	7,200	7,200
Due in more than two years but not more than five years	21,600	21,600
Due in more than five years	10,800	18,000
	<u>          </u>	<u>          </u>
	46,800	54,000
	<u>          </u>	<u>          </u>

The academy is repaying a Salix loan of £57,600 over eight years. Bi-annual repayments of £3,600 commenced in March 2015. No interest is charged on the loan.

<b>16 Deferred income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	13,240	28,480
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2015	28,480	22,616
Released from previous years	(28,480)	(22,616)
Amounts deferred in the year	13,240	28,480
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2016</b>	<b>13,240</b>	<b>28,480</b>
	<u>          </u>	<u>          </u>

At the balance sheet date the academy trust was holding funds received in advance for educational projects, which cover the period from September 2016 to March 2017.

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	-	1,859,136	(1,702,130)	-	157,006
Other DfE / EFA grants	93,803	514,612	(608,415)	-	-
Other government grants	19,005	61,948	(76,753)	-	4,200
Other restricted funds	895	77,086	(76,080)	-	1,901
	<u>113,703</u>	<u>2,512,782</u>	<u>(2,463,378)</u>	<u>-</u>	<u>163,107</u>
Funds excluding pensions					
Pension reserve	(398,000)	-	(25,000)	(304,000)	(727,000)
	<u>(284,297)</u>	<u>2,512,782</u>	<u>(2,488,378)</u>	<u>(304,000)</u>	<u>(563,893)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	3,310,087	-	(65,424)	-	3,244,663
Capital expenditure from GAG and other funds	10,736	-	(5,028)	-	5,708
	<u>3,320,823</u>	<u>-</u>	<u>(70,452)</u>	<u>-</u>	<u>3,250,371</u>
<b>Total restricted funds</b>	<u>3,036,526</u>	<u>2,512,782</u>	<u>(2,558,830)</u>	<u>(304,000)</u>	<u>2,686,478</u>
<b>Unrestricted funds</b>					
General funds	31,585	16,143	(11,283)	-	36,445
	<u>31,585</u>	<u>16,143</u>	<u>(11,283)</u>	<u>-</u>	<u>36,445</u>
<b>Total funds</b>	<u>3,068,111</u>	<u>2,528,925</u>	<u>(2,570,113)</u>	<u>(304,000)</u>	<u>2,722,923</u>

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Funds

(Continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes LEA funding for Special Educational Needs which was fully expended in the period along with central funding for other special educational projects.

Other restricted funds include contributions received for school trips and non public donations & grants and their related expenditure.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £476,000, and had risen to £727,000 at the year end.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other grants during the period. Depreciation is charged against the fund.

### 18 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016
	£	£	£	£
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	3,250,371	3,250,371
Current assets	36,445	317,549	-	353,994
Creditors falling due within one year	-	(114,842)	-	(114,842)
Creditors falling due after one year	-	(39,600)	-	(39,600)
Defined benefit pension liability	-	(727,000)	-	(727,000)
	<u>36,445</u>	<u>(563,893)</u>	<u>3,250,371</u>	<u>2,722,923</u>

### 19 Pensions and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £5,114 (2015: £5,813) were payable to the schemes at 31 August 2016 and are included within creditors.

**19 Pensions and similar obligations**

**(Continued)**

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £148,491 (2015: £115,935).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 19 Pensions and similar obligations

(Continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.7% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year based on the latest actuarial report is £13,100. The deficit contributions will be reviewed following the next triennial valuation in 2016.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

<b>Total contributions made</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Employer's contributions (rounded)	55,000	53,000
Employees' contributions (rounded)	18,000	17,000
	<hr/>	<hr/>
Total contributions	73,000	70,000
	<hr/> <hr/>	<hr/> <hr/>

<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.3	3.8
Rate of increase for pensions in payment	1.9	2.3
Discount rate	2.1	4.0
Inflation assumption (CPI)	1.8	2.3
	<hr/> <hr/>	<hr/> <hr/>

Sensitivity analysis at 31 August 2016:

	<b>Central</b>	<b>Sensitivity 1</b>	<b>Sensitivity 2</b>	<b>Sensitivity 3</b>	<b>Sensitivity 4</b>
	<b>£000</b>	<b>+ 0.1% p.a.</b>	<b>+ 0.1% p.a.</b>	<b>+ 0.1% p.a.</b>	<b>1 year increase in</b>
		<b>discount rate</b>	<b>inflation</b>	<b>pay growth</b>	<b>life expectancy</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Liabilities	1,387	1,354	1,421	1,402	1,411
Assets	(660)	(660)	(660)	(660)	(660)
Deficit/(surplus)	727	694	761	742	751
Projected Service Cost for next year	102	99	105	102	104
Projected Net Interest Cost for next year	15	15	15	15	15

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 19 Pensions and similar obligations

(Continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2016</b>	<b>2015</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	23.0	22.9
- Females	25.6	25.4
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.9	27.8

#### The Academy's share of the assets in the scheme

	<b>2016</b>	<b>2015</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	254,000	162,000
Government bonds	-	26,000
Other bonds	17,000	12,000
Cash	23,000	6,000
Property	63,000	43,000
Other assets	303,000	222,000
Total market value of assets	660,000	471,000
Actual return on scheme assets - gain/(loss)	125,000	18,000

#### Amounts recognised in the statement of financial activities

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	65,000	60,000
Net interest cost	14,000	13,000
Administrative expenses	1,000	1,000
Total operating charge	80,000	74,000

# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

<b>19 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Changes in the present value of defined benefit obligations</b>	<b>2016</b>	
	<b>£</b>	
Obligations at 1 September 2015	869,000	
Current service cost	65,000	
Interest cost	34,000	
Employee contributions	18,000	
Actuarial loss	409,000	
Benefits paid	(8,000)	
	<hr/>	
At 31 August 2016	1,387,000	
	<hr/> <hr/>	
<b>Changes in the fair value of the Academy's share of scheme assets</b>	<b>2016</b>	
	<b>£</b>	
Assets at 1 September 2015	471,000	
Interest income	20,000	
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	105,000	
Employer contributions	55,000	
Employee contributions	18,000	
Benefits paid	(8,000)	
Administrative expenses	(1,000)	
	<hr/>	
At 31 August 2016	660,000	
	<hr/> <hr/>	
<b>20 Reconciliation of net expenditure to net cash flows from operating activities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period	(41,188)	(101,829)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(9,214)	(273,758)
Investment income	(348)	(381)
Defined benefit pension costs less contributions payable	11,000	8,000
Defined benefit pension net finance cost/(income)	14,000	13,000
Depreciation of tangible fixed assets	70,452	67,704
(Increase)/decrease in debtors	35,715	20,868
Increase/(decrease) in creditors	(45,420)	(50,438)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>34,997</b>	<b>(316,834)</b>
	<hr/> <hr/>	<hr/> <hr/>



# ACADEMY @ WORDEN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	17,630	21,076
Amounts due in two and five years	19,489	11,748
Amounts due after five years	-	145
	<u>37,119</u>	<u>32,969</u>

#### 22 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

#### 23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

#### 24 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

##### Reconciliation of funds for the previous financial period

	<b>1 September</b>	<b>31 August</b>
	<b>2014</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Funds as reported under previous UK GAAP and under FRS 102	<u>3,189,940</u>	<u>3,068,111</u>

## ACADEMY @ WORDEN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 24 Reconciliations on adoption of FRS 102

(Continued)

##### Reconciliation of net loss for the previous financial period

	2015 £
Net expenditure as reported under previous UK GAAP and under FRS 102	(121,829)

##### Notes to reconciliations on adoption of FRS 102

###### Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to income/expense by £7,000 and decrease the debit in other recognised gains and losses in the SOFA by the equivalent amount.